

State appraiser licensing and certification examinations offered prior to January 1, 2008, essentially test a candidate's ability to recall information learned in qualifying educational offerings. The National Uniform Licensing and Certification Examinations offered as of January 1, 2008, will test a candidate's ability to *apply* the knowledge (and possibly experience) they have obtained. This difference may be best illustrated by looking at examples of the type of questions that could appear under each exam:

Pre-2008 Exam Example

1. The anticipated income from all operations of the real property after an allowance is made for vacancy and collection losses is known as:
 - A) Gross Income
 - B) Net Income
 - C) Effective Gross Income
 - D) Residual Income

2008 Exam Example

An appraiser is asked to appraise an apartment complex consisting of 120 units broken down as follows:

Thirty (30) 1-bedroom units, renting for \$500 each
Sixty (60) 2-bedroom units, renting for \$750 each
Thirty (30) 3-bedroom units, renting for \$1,000 each

The complex has historically had a vacancy and collection loss expense of 3% and operating expenses/replacement reserves of 35% of effective gross income. Assuming the vacancy rate and all expenses are forecast to remain constant in the foreseeable future:

1. What is the Potential Gross Income for the complex?
 - A) \$75,000
 - B) \$90,000
 - C) \$87,300
 - D) \$56,745
2. What is the Effective Gross Income for the complex?
 - A) \$75,000
 - B) \$90,000
 - C) \$87,300
 - D) \$56,745
3. What is the Net Income for the complex?
 - A) \$75,000
 - B) \$90,000
 - C) \$87,300
 - D) \$56,745

As can be seen above, candidates taking a state licensing or certification exam in 2008 will be required to not only *know* things, but to also *know how to do* things.

More information concerning the examination, as well as additional sample exam questions can be found at www.appraisalfoundation.org under Education/Qualifications > National Uniform Licensing and Certification Examinations and at www.pearsonvue.com. **NOTE:** An applicant will not be able to schedule the examination until AFTER the application has been approved by the Board and the applicant is issued a green examination approval card and number by the Board.